



The Weekly Observer

July 1-5

YOUR WEEKLY RECAP OF POLITICAL DEVELOPMENTS IN JAPAN!

THIS WEEK IN NUMBERS

MOD Issues AI and Cyber Strategy

On Tuesday, the **Ministry of Defense** (MOD) issued the "Basic Guidelines Promoting the Utilization of AI" and the "Comprehensive Strategy on Cyber Talent."

The guidelines indicated **seven areas for AI use** — target detection and identification; collection and analysis of information; command and control; rear-end support; unmanned assets; cybersecurity; and improvement of administrative operations.

The guidelines also noted **risks involved with AI** and pointed out that the **MOD would not develop or deploy defense equipment in a way inconsistent with international or domestic law.**

The strategy stated that the MOD will establish a **new recruitment pool** in the JGSDF for **cyber unit cadres** starting in FY 2025. It also outlines an appointment system to **develop veteran talent** capable of commanding units, such as enabling

lower ranking officers to specialize in cybersecurity.

The MOD will also consider **relaxing physical test requirements** after appointment to join the cyber unit and the refurbishment of a reserve system, in an effort to **attract more private sector talent to join.**

Kishida Announces AI and Decarbonization Plan in Southeast Asia

On Friday, **Prime Minister Kishida Fumio** attended the Thirteenth Asian Business Summit hosted by the Japan Business Federation.

Kishida announced during the speech that he aims to **support ASEAN countries work with Japanese startups to build their own LLMs for AI development**, in part to **ensure ASEAN sovereignty** in AI amid strong global competition.

Kishida also revealed that the second **"Asia Zero Emission Community" (AZEC)** Summit will be held in **Laos** in the fall, with plans to finalize a **ten-year action plan** during the meeting.

Cabinet Approval



25% (-3 pts.)

67% (+/-0 pt.)

[Nihon Keizai Shimbun](#) (July 1)

State of the Economy

BOJ TANKAN (June):
DI, Large Manufacturers: +13 (+2)
Large Non-Manufacturers: +33 (-1)

Real GDP (Jan.-March):
-0.7% from previous quarter (-0.2%)
-2.9% on annual basis (+1.1%)

Real Consumption (May):
¥290,328 (-1.8%)
First decline in two months

Preliminary Composite Index (May):
116.5 (+1.3 pts.)
"Shift to fall" to "halting to fall"

Projected Tax Revenue (FY 2023):
¥71.14 trillion
Record high for 4th consecutive year